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Expect to pay more for licenses, state services

Hundreds of licensed professionals, many motorists and the poor would pay more under the proposed budget.

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JOURNAL STATE HOUSE BUREAU

PROVIDENCE — The state sales-tax and income-tax rates may not be increasing, but if the new state budget takes effect July 1 as proposed, Rhode Islanders will be hit with a slew of fee increases and other taxes.

Some, such as increased licensing fees for barbers and veterinarians, affect small categories of people; others, such as a new Registry of Motor Vehicles surcharge, just about everybody.

No question about it, "Rhode

Islanders will be paying more in taxes and fees as a result of this budget proposal," Rhode Island Public Expenditure Council executive director Gary S. Sasse said yesterday.

Most of the increases came in the governor's budget proposal, and the House preserved them when it approved the budget Friday. The Senate is scheduled to consider the budget in committee

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today and vote on it sometime this week.

Lawmakers are still weighing a proposal to levy an additional 3.5-percent tax on cable and satellite TV bills. The same package of legislation would allow cities and towns to charge user fees for fire-alarm master boxes, and bar water authorities from collecting fire-hydrant rental fees from cities and towns.

All three ideas are backed by the City of Providence and designed to ease the strain on the budgets of municipalities, which are barred by a law passed last year from raising property taxes above a certain percentage increase. But during the late night budget debate on Friday, some lawmakers questioned whether individual residents would feel the pinch instead, in the form of higher cable and satellite TV bills, higher water bills and higher rent.

"I can't imagine that the public is going to want to see another tax," said Rep. Nicholas Gorham, R-Coventry. "We've already done enough damage tonight."

The leadership removed the measures from the budget at the last minute, but said they may try to pass them this week as bills.

Increased use of fees may help generate revenue without pushing Rhode Island even higher in the rankings of highest-taxing states, Sasse said. The average Rhode Island resident's state and local tax burden was seventh highest in the nation last year, according to RIPEC.

But when it comes to the amount of fees it assesses its residents, Rhode Island ranks below the national average, Sasse said. Citing 2005 figures, he said 13 percent of state and local revenue came from "user charges," whereas the national average is 19 percent.

Even if the new charges bring Rhode Island on par with the rest of the country, they would touch nearly every Rhode Islander along the way.

Several fees related to owning a car would increase. The Registry of Motor Vehicles would begin charging a \$1.50 flat fee for each transaction. Anyone who wants a vanity plate would have to pay double the current registration fee, which is the same as the fee for a standard-issue plate. The fee for vanity plates — newly assigned plates and renewals — would rise from \$30 to \$60 a year. People who drive larger cars would also have to pay more: the state is going to a tiered fee scheme based on weight. Owners of vehicles weighing 4,000 pounds or less (most mid-sized cars and smaller) would still pay the current annual fee of \$30. Anything heavier than 4,000 pounds would cost more to register, with fees ranging from \$40 to \$140 a year.

Motorists who get tickets may also find themselves paying more, even if they get the tickets dismissed. Rhode Island law allows drivers to invoke the so-called "good-driving defense" once every three years to get rid of a speeding ticket or other moving violation. Although many municipalities force motorists to pay court costs even if they get tickets dismissed, motorists who go to the state Traffic Tribunal do not have to pay the same fee. That would change July 1, when the Traffic Tribunal starts tacking \$25 for court costs onto each dismissal.

The budget includes measures that affect people all along the income spectrum. The canceling of the planned capital gains tax phase-out would chiefly affect people in upper-income brackets; the average income of people subject to the capital-gains tax in Rhode Island in 2003 was more than \$800,000, according to the Poverty Institute at Rhode Island College.

On the other end of the spectrum, people with disabilities and the very poor elderly who have prescription-drug coverage through Medicaid would be paying a \$1 copay for each generic prescription and \$3 for each brand-name drug.

The budget removes an estimated 2,400 children from the rolls of state-subsidized childcare. For children who remain in the program, their parents' copays would increase. For a family with income between 125 and 150 percent of the federal poverty level — a range of \$21,464 to \$25,755 for a family of three — the copay would increase from 3 percent to 4 percent of income, for a weekly copay between \$17 and \$20.

If you need a certified copy of a birth, death or marriage certificate, the fee would go from \$15 to \$20.

Workers in more than three dozen professions licensed by the state would see their licensing fees increase. If you work as a kennel employee at Twin River or a concession employee at Newport Grand, your license fee would increase from \$10 a year to \$75 every three years. If you practice acupuncture, you'd pay \$170 instead of \$125. If you're a barber, an esthetician, a manicurist or an interpreter for the deaf, your license renewal fee would be \$50 instead of \$37.50. Funeral directors and embalmers would pay \$130 instead of \$93.75. Registered nurses, pharmacists and tattoo artists would pay \$90 instead of \$62.50 to renew their licenses; physicians, \$570 instead of \$437.50; veterinarians, \$330 instead of \$250. Social workers' licenses would cost \$170 instead of \$125.

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